



February 13, 2004

ENGROSSED HOUSE BILL No. 1251

DIGEST OF HB 1251 (Updated February 11, 2004 12:40 pm - DI 104)

Citations Affected: Noncode.

Synopsis: Prescription drug advisory committee. Requires the prescription drug advisory committee to make recommendations concerning changes to the Indiana prescription drug program's drug benefit. Removes a provision prohibiting the committee from recommending the use of funds from the prescription drug account for a state prescription drug benefit if a federal program provides a similar benefit. Extends the existence of the prescription drug advisory committee until December 31, 2006. Makes a technical correction by repealing two different versions of a noncode provision and makes changes to the provisions.

Effective: Upon passage.

Becker, Brown C, Thomas

(SENATE SPONSORS — SERVER, LAWSON C, SIMPSON)

January 20, 2004, read first time and referred to Committee on Public Health.
January 29, 2004, amended, reported — Do Pass.
February 2, 2004, read second time, ordered engrossed.
February 3, 2004, engrossed.
February 5, 2004, read third time, passed. Yeas 80, nays 14.

SENATE ACTION

February 9, 2004, read first time and referred to Committee on Health and Provider Services.
February 12, 2004, amended, reported favorably — Do Pass.

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February 13, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1251

A BILL FOR AN ACT concerning prescription drugs.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) The Indiana
2 prescription drug advisory committee is established to:

3 (1) study pharmacy benefit programs and proposals,
4 including programs and proposals in other states;

5 (2) make initial and ongoing recommendations to the
6 governor for programs that address the pharmaceutical costs
7 of low income senior citizens; and

8 (3) review and approve changes to a prescription drug
9 program that is established or implemented under a Medicaid
10 waiver that uses money from the Indiana prescription drug
11 account established by IC 4-12-8-2.

12 (b) The committee consists of eleven (11) members appointed by
13 the governor and four (4) legislative members. Members serving
14 on the committee established by P.L.291-2001, SECTION 81,
15 before its expiration on December 31, 2001, continue to serve. The
16 term of each member expires December 31, 2006. The members of
17 the committee appointed by the governor are as follows:

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- (1) A physician with a specialty in geriatrics.
- (2) A pharmacist.
- (3) A person with expertise in health plan administration.
- (4) A representative of an area agency on aging.
- (5) A consumer representative from a senior citizen advocacy organization.
- (6) A person with expertise in and knowledge of the federal Medicare program.
- (7) A health care economist.
- (8) A person representing a pharmaceutical research and manufacturing association.
- (9) A township trustee.
- (10) Two (2) other members as appointed by the governor.

The four (4) legislative members shall serve as nonvoting members. The speaker of the house of representatives and the president pro tempore of the senate shall each appoint two (2) legislative members, who may not be from the same political party, to serve on the committee.

(c) The governor shall designate a member to serve as chairperson. A vacancy with respect to a member shall be filled in the same manner as the original appointment. Each member is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties. The expenses of the committee shall be paid from the Indiana prescription drug account established by IC 4-12-8-2. The office of the secretary of family and social services shall provide staff for the committee. The committee is a public agency for purposes of IC 5-14-1.5 and IC 5-14-3. The committee is a governing body for purposes of IC 5-14-1.5.

(d) The committee shall make program design recommendations to the governor and the office of the secretary of family and social services to coordinate the Indiana prescription drug program administered under IC 12-10-16-3 with the federal Medicare Prescription Drug and Improvement and Modernization Act of 2003, and to ensure that the program does not duplicate benefits provided under the federal law. In making recommendations, the committee shall consider the following:

- (1) Eligibility criteria, including any changes in income limits.
- (2) Benefit structure, including determining if the program will assume any of a program recipient's premiums or cost sharing requirements required by federal law.
- (3) Cost sharing requirements, including whether the

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program should include a requirement for copayments or premium payments.

(4) Marketing and outreach strategies.

(5) Administrative structure and delivery systems.

(6) Evaluation.

(7) Coordination with existing private or public pharmaceutical assistance programs available to an individual in Indiana.

(e) The recommendations shall address the following:

(1) Cost effectiveness of program design.

(2) Strategies to minimize crowd out of private insurance.

(3) Reasonable balance between maximum eligibility levels and maximum benefit levels.

(4) Feasibility of a health care subsidy program where the amount of the subsidy is based on income.

(5) Advisability of entering into contracts with health insurance companies to administer the program.

(f) The committee shall submit its recommended changes to the governor and the office of the secretary of family and social services before:

(1) July 1, 2004, for program changes related to the Medicare discount program; and

(2) September 1, 2005, for program changes related to the part D Medicare drug benefit.

(g) This SECTION expires December 31, 2006.

SECTION 2. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: P.L.106-2002, SECTION 1; P.L.107-2002, SECTION 35.

SECTION 3. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1251, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning prescription drugs.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1251 as introduced.)

BROWN C, Chair

Committee Vote: yeas 12, nays 0.

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1251, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, between lines 5 and 6, begin a new line block indented and insert:

"(7) Coordination with existing private or public pharmaceutical assistance programs available to an individual in Indiana."

and when so amended that said bill do pass.

(Reference is to HB 1251 as printed January 30, 2004.)

MILLER, Chairperson

Committee Vote: Yeas 11, Nays 0.

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